

**Auditor's Report**

To,  
**The Members of Future Learning and Development Limited**

1. We have audited the attached Balance Sheet of Future Learning and Development Limited as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
5.
  - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
  - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
  - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For NGS & Co**

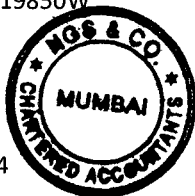
Chartered Accountants

Firm Registration no. 119850W

  
Navin T. Gupta

Partner

Membership No. 40334



Place : Mumbai

Date : August 16, 2010

**Annexure to the Auditors' Report of even date to the members of Future Learning and Development Limited, on the financial statements for the year ended March 31, 2010.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has disposed off a substantial part of the fixed assets. We are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. There were no transactions for purchase of inventory and sale of goods during the year.
- (v) a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.



**Annexure to the Auditors' Report of even date to the members of Future Learning and Development Limited, on the financial statements for the year ended March 31, 2010.**

- (vii) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services.
- (viii) Since the Company is neither engaged in manufacturing, processing, production and mining activities, to the best of our knowledge and belief, Section 209(1)(d) are not applicable to the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) Further, no undisputed amounts payable in respect thereof of were outstanding at the year end for a period of more than six months from the date they become payable.
- (c) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 4(x) of the Order are not applicable.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to debenture holders during the year. There were no amount payable to financial institutions and banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.



**Annexure to the Auditors' Report of even date to the members of Future Learning and Development Limited, on the financial statements for the year ended March 31, 2010.**

- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has not created security in respect of debentures issued during the year.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the year covered by our audit.

**For NGS & Co**  
Chartered Accountants  
Firm Registration no. 119850W



Navin T. Gupta  
Partner  
Membership No. 40334



Place : Mumbai  
Date : August 16, 2010

**FUTURE LEARNING AND DEVELOPMENT LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2010**

(Rs in '000)

PARTICULARS	SCH No.	As at March 31, 2010	As at March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	282,655.50	282,655.50
Share Application money		32,000.03	8,000.03
		<b>314,655.53</b>	<b>290,655.53</b>
<b>LOAN FUNDS</b>			
Secured Loans	2	68,069.15	42,097.30
Unsecured Loans	3	328,500.00	-
		<b>711,224.68</b>	<b>332,752.84</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	-	359,874.46
Less : Accumulated Depreciation		-	12,728.87
Net Block		-	347,145.59
Capital work-in-progress including capital advances		-	36,463.66
		-	<b>383,609.25</b>
<b>INVESTMENTS</b>	5	2,000.00	2,000.00
<b>DEFERRED TAX ASSETS (NET)</b>		-	239.22
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	6	235,791.64	41,651.67
Cash and Bank Balances	7	5,385.21	2,524.80
Loans and Advances	8	510,033.40	34,037.99
(A)		<b>751,210.14</b>	<b>78,214.46</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	9	63,318.38	130,502.23
Provisions	10	1,047.21	2,370.29
(B)		<b>64,365.59</b>	<b>132,872.51</b>
<b>NET CURRENT ASSETS (A-B)</b>		<b>686,844.55</b>	<b>(54,658.06)</b>
Profit and Loss Account		22,380.13	1,852.42
		<b>711,224.68</b>	<b>332,752.84</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	15		

The Schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet

As per our Report of even date attached

For NGS & Co.,

Chartered Accountants

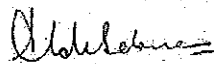
For and on behalf of Board of

of Future Learning and Development Limited

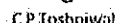
  
Navin Gupta  
Partner



Membership No. 40334



Harsha Sakshna  
Director

  
CP Toshniwal  
Director

Place : Mumbai

Date : August 16, 2010

**FUTURE LEARNING AND DEVELOPMENT LIMITED**  
**PROFIT and LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

(Rs in '000)

PARTICULARS	SCH No.	FOR THE YEAR ENDED ON MARCH 31, 2010	FOR THE PERIOD FROM 10.04.2008 TO 31.03.2009
<b>INCOME</b>			
Revenue from Services		134,522.17	54,875.25
Other Income	10	45,089.29	1.59
		<b>179,611.46</b>	<b>54,876.84</b>
<b>EXPENDITURE</b>			
Personnel cost	12	54,503.16	13,013.83
Administration and other expenses	13	80,888.86	21,007.45
Finance Charges	14	23,156.25	848.46
Depreciation	3	41,641.67	12,728.87
		<b>200,189.94</b>	<b>56,417.23</b>
<b>(Loss) Before Taxation</b>		<b>(20,578.49)</b>	<b>(1,540.39)</b>
Less: Provision for Taxation			
a) Current Tax			-
b) Deferred Tax		(249.22)	249.22
c) Fringe Benefit Tax			(261.26)
<b>Profit After Taxation</b>		<b>(20,827.71)</b>	<b>(1,552.42)</b>
Add : Balance brought forward		(1,552.42)	-
<b>Balance carried to Balance Sheet</b>		<b>(22,380.13)</b>	<b>(1,552.42)</b>

**Earnings Per Share Rs. (Face Value Rs. 10)**

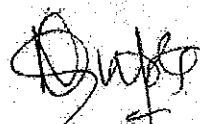
<b>Basic</b>	(0.74)	(0.08)
<b>Diluted</b>	(0.70)	(0.08)

Significant Accounting Policies and  
Notes to Accounts

14

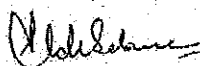
As per our Report of even date attached  
For NGS & Co.,  
Chartered Accountants

For and on behalf of Board of  
of Future Learning and Development Limited

  
Navin Gupta  
Partner



Membership No. 40334



Harsha Saksena  
Director



C P Toshniwal  
Director

Place : Mumbai  
Date : August 16, 2010

FUTURE LEARNING AND DEVELOPMENT LIMITED  
Cash Flow Statement for the Period ended March 31, 2010

Particulars	As At 31.03.10
<b>A Cash Flow from Operating Activities</b>	
Net Profit Before Tax and Extraordinary items	(20,578.49)
Adjustments for :	
Depreciation	41,641.67
Operating profit before working capital changes	21,063.19
Adjustments for :	
Debtors	(194,139.86)
Loans & advances	(475,995.41)
Trade payables	(68,506.92)
Cash generated from operations	(717,579.01)
Direct Taxes	-
Net Cash from Operating Activities	(717,579.01)
<b>B Cash Flow From Investing Activities</b>	
Sale (Purchase) of Fixed Assets	305,503.92
(Increase)/Decrease in capital work - in - progress	36,463.66
Investments	-
Share Application Money	-
Net Cash used in Investing Activities	341,967.58
<b>C Cash Flow from Financing Activities</b>	
Proceeds from issue of Share Capital (Net of Expenses)	24,000.00
Proceeds from long term borrowing	354,471.84
Net Cash from financing activities	378,471.84
Net Cash used in Cash and Cash Equivalents (A+B+C)	2,860.41
Cash & Cash Equivalents (Opening balance)	2,524.80
Cash & Cash Equivalents (Closing balance)	5,385.21

	2009-2010 Rs. In '000
<b>Cash and Cash Equivalents include:</b>	
Cash in Hand	71.45
Balance with Scheduled Banks: in Current Accounts (including in transit)	5,313.76
	5,385.21

Note :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3: Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

As per our Report of even date attached

For NGS & Co.,

Chartered Accountants

Mem Reg. No.: 119850W

*(Signature)*  
Nayn Gupta

Partner

Membership No. 40334



For and on behalf of Board of

of Future Learning and Development Limited

*(Signature)*

Harsha Saksena C P Toshniwal  
Director Director

Place : Mumbai

Date : August 16, 2010

FUTURE LEARNING AND DEVELOPMENT LIMITED  
Schedules to Balance Sheet as at March 31, 2009

PARTICULARS	(Rs in '000)	
	As At 31.03.10	As At 31.03.09
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3,50,00,000 Equity Shares of Rs.10/- each	350,000.00	350,000.00
	350,000.00	350,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
2,82,65,550 Equity Shares of Rs.10/- each fully paid up.	282,655.50	282,655.50
(Of the above, 2,82,15,550 shares are held by Pentaboon Retail (India) Limited, the holding company including 9 shares held by its nominees)	282,655.50	282,655.50
<b>SCHEDULE 2: SECURED LOANS</b>		
<b>Term Loans</b>		
Recur Loans from Finance Company (Secured against hypothecation of assets financed)	60,853.95	42,097.30
Working Capital Loans from Banks (Secured against fixed deposits)	3,115.19	-
	63,969.15	42,097.30
<b>SCHEDULE 3: UNSECURED LOANS</b>		
<b>Debentures</b>		
Convertible/ Non-Convertible Debentures	328,500.00	-
	328,500.00	-
<b>SCHEDULE 4: INVESTMENTS</b>		
<b>Long Term - Non Trade</b>		
2,00,000 Equity Shares of Future Education Limited of Rs.10/- each fully paid up	2,000.00	2,000.00
Aggregate cost of all quoted investments	2,000.00	2,000.00
<b>SCHEDULE 5: SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Debtors due/overdue for a period exceeding 90 months	43.08	-
Other Debtors (Refer Note B(4), Schedule 15)	235,748.45	41,651.67
	235,791.53	41,651.67
<b>SCHEDULE 6: CASH &amp; BANK BALANCES</b>		
Cash in hand	71.45	15.71
Balance with Scheduled Banks:		
in Current Accounts (including in transit)	119.00	2,508.09
in fixed deposit with bank (under lien)	5,199.76	-
	5,385.21	2,523.80
<b>SCHEDULE 7: LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
Advances Receivable in cash or kind or value to be received	382,839.36	2,993.92
Deposits	109,689.77	15,976.10
Share Application Money	15,000.00	15,000.00
Retention of Income Tax	2,584.27	67.88
	510,033.40	34,037.90
<b>SCHEDULE 8: LIABILITIES</b>		
<b>Steady Creditors</b>		
(Refer Note B(1), Schedule 15)	55,375.30	126,915.52
<b>Other liabilities</b>		
Advances from Customer	4,930.25	3,586.70
Cheques overdrawn	378.96	-
Interest accrued but not due	2,633.87	-
	83,318.38	130,502.22
<b>SCHEDULE 9: PROVISIONS</b>		
Leave Encashment / Gratuity (Refer Note B(5), Schedule 15)	1,047.21	2,109.03
Fringe Benefit Taxation	-	261.26
	1,047.21	2,370.29





SCHEDULE E - FIXED ASSETS & CAPITAL WORK IN PROGRESS.

(Rev. 10-2009)

Description	Rate of Depreciation	As on 01.04.2009	Gross Block				Depreciation				NET BLOCK		
			Additions	Deletions	Adjustment	As at 31.03.2010	From 01.04.2009 to 31.03.2010	Adjustment	Total	As at 31.03.2010	As at 31.03.09		
TABLES	5 Yrs	1979.92	15,986.75		35,198.27			1,565.69	2,271.22	6,855.01		15,123.83	
Leasehold Improvements - And Centre	5 Yrs	424.81	5,166.42		5,693.20			13.50	202.00	216.75		483.08	
Leasehold Improvements - Office	5 Yrs		1,352.07		5,532.07			69.89		68.28			
Leasehold Improvements - Retailer	5 Yrs		6,272.99		4,912.59			295.55		295.55			
Leasehold Improvements - Employee	5 Yrs	3057.64	16,097.63	206.81	8,128.11			77.87	328.87	416.74		2,979.67	
Office Equipments	10 Yrs	3449.07	12,910.95		15,702.75			220.37	2,214.64	2,435.01		3,869.70	
IT Equipments	8.33%	11,672.27	14,866.04		26,540.83			223.78	1,244.26	1,541.96		11,389.93	
Furniture & Fixtures	8.33%	8499.49	17,712.69		18,412.12			175.79	689.70	879.89		6,575.30	
Electrical installations	4.75%	2000.30	8,612.22		1,505.82			56.84	285.31	334.61		3,818.59	
Air Conditioning													
Leasehold Assets	10.00%	31078.10			31078.10			10,377.55	31,070.91	41,388.69		300,391.42	
Construction													
Total		309,372.46	60,897.88	1,532.66	408,803.96			12,726.87	41,680,910.00	77.34	54,376.64	347,445.89	
Previous year			36,874.48					338,877.48				347,165.59	
CMP													35,443.66

Note: Lease hold improvement is depreciated as per the method of Lease as per company policy.



**FUTURE LEARNING AND DEVELOPMENT LIMITED**  
Schedules to Profit & Loss Account as at March 31, 2010

(Rs in '000)

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2010	FOR THE PERIOD FROM 10.04.2008 TO 31.03.2009
<b><u>SCHEDULE 10: OTHER INCOME</u></b>		
Profit on sale of fixed assets / CWIP	44,791.18	-
Interest on fixed deposit (TDS Rs. 22197/-)	221.96	-
Miscellaneous Income	76.15	1.59
	<b>45,089.29</b>	<b>1.59</b>
<b><u>SCHEDULE 12: PERSONNEL COST</u></b>		
Salaries, Wages & Bonus	50,803.96	9,453.48
Contribution to Provident Fund & other funds	2,314.86	303.59
Gratuity and Leave Encashment	(880.03)	2,200.38
Workmen and staff welfare expenses	2,264.38	1,056.38
	<b>54,503.16286</b>	<b>13,013.83</b>
<b><u>SCHEDULE 13: TRAINING &amp; ADMINISTRATIVE COST</u></b>		
Power & Fuel	5,526.31	1,184.44
Rent	28,315.36	7,123.92
Insurance	448.35	697.72
Training Costs	22,619.14	8,818.60
Repairs & Maintenance:		
Buildings	4,062.20	1,762.71
Others	1,566.77	82.78
Advertisement Expenses	6,272.79	2,023.98
Travelling & Conveyance Expenses	3,819.30	1,336.44
Guest House Expenses	1,457.80	745.53
Legal & Professional Charges	1,829.02	997.22
Auditors' Remuneration	175.00	65.62
Printing & Stationery	1,475.79	-
Other Expenses	3,321.03	2,139.67
Preliminary and Share Issue Expenses	-	2,847.42
	<b>80,888.86</b>	<b>21,007.45</b>
<b><u>SCHEDULE 14 : FINANCE CHARGES</u></b>		
Interest on Compulsory Convertible Debenture	14,063.75	-
Interest on Fixed Loans	8,720.14	831.09
Bank Charges	372.36	17.37
	<b>23,156.25</b>	<b>848.46</b>



FUTURE LEARNING AND DEVELOPMENT LIMITED

Schedule-15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010.

A. Nature of Operations:

The Company is Into Training and consultancy services.

Significant Accounting Policies:

1. Basis of Accounting

The financial statements have been prepared to comply in all material respects with accounting standard notified by the Government of India/issued by Institute of Chartered Accountants in India (ICAI) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the period in which the results are known/materialize.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated Depreciation. Cost comprises purchase price and any attributable costs of bringing the asset to its location, working condition for its intended use

Depreciation is provided on Straight Line Method as per the rates and in manner prescribed in Schedule XIV to the Companies Act 1956 except for the intangible assets which are written off in ten years and lease hold improvements which are written off during the tenure of lease.

4. Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any. The cost comprises of the purchase price.

Amortisation:

Intangible assets in the nature of Content material is amortised over their estimated useful lives of ten years on a straight line basis.

5. Preliminary and Share Issue Expenditure

Preliminary and Share Issue Expenses are charged to Profit and Loss account in the year in which they are incurred.

6. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalized as part of the cost of the asset up to the date the assets are ready for their intended use or sale. Other expenses are recognized as an expense in the period in which they are incurred.



## 7. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services are accounted based on completion of training programs.  
Interest

Revenue is recognized pro-rata on accrual basis on the basis of amount outstanding and rate applicable.

## 8. Cash Flow Statement

Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents cash flow by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consists of cash in hand and cash at Bank.

## 9. Income Tax

Tax expense comprises of current, deferred and fringe benefit tax. Current Income Tax and fringe benefit tax are measured at the amounts expected to be paid to the Tax authorities in accordance with Indian Income Tax Act. Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income arising in the current year and reversal of timing differences of earlier years.

Deferred Tax is measured based on the tax rates and the Tax Laws enacted or substantively enacted at the Balance sheet date. Deferred Tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

## 10. Employee Benefits

### Defined Contribution Plan:

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due.

### Defined Benefit Plan:

Gratuity Liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Long Term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains / losses are immediately taken to Profit and Loss account and are not deferred.

## 11. Investments

Long term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to Profit & Loss account.

Current investments are carried at cost or market value whichever is lower.

## 12. Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.



### 13. Impairment Of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company has measured its 'value in use' on the basis of undiscounted cash flows of next five years' projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 14. Operating Lease

Lease payments are recognised as an expense in the Profit and Loss account as per the terms of agreement which is representative of the time pattern of the user's benefits.

### 15. Earnings Per Share:

The company reports basic and diluted earning per share in accordance with Accounting Standard 20 on "Earning per Share". Basic EPS is computed by dividing the net profit or net loss for the year by weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing net profit or net loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

### 16. Foreign currency translation *Foreign currency transactions*

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period are recognised as income or as expenses in the period in which they arise.

## B. Notes to Accounts

1. Contingent Liabilities not Provided for Rs. Nil (2009 : Rs. Nil)
2. Capital Commitment (net of advances) Rs. Nil (2009 : Rs. 19,346.55 thousands)
3. Secured loan repayable within one year Rs. 64,953.95 thousands. (2009 : Rs. 6,442.87 thousands)
4. Debts due from Companies under same Management

Sundry Debtors includes amounts due from following companies under the same management within the meaning of sub-section (1B) of Section 370 of the Companies Act, 1956.

(Rs. In '000)

Name of the Company	2009-10	2008-09
Home Solutions Retail (India) Limited	638.98	2,066.84
Pantaloon Retail (India) Ltd.	3017.68	38,432.05
Future Value Retail Ltd.	4972.30	Nil



5. Related Party Disclosure:

A. Names of Related Parties

Holding Company	Pantaloan Retail (India) Limited
Fellow Subsidiary Companies	Home Solutions Retail (India) Ltd
	Future Value Retail Limited
	Future Logistic Solutions Limited
	Future Media (India) Limited
	Future E-Commerce Infrastructure Ltd.
Joint Venture	Future Education Limited

B. Transactions with Related Parties

During the year, following transactions were carried out with the related parties in the ordinary course of business.  
(Rs. In '000)

Nature of Transactions	Holding Company	Fellow Subsidiary Companies	Joint Venture
Shares Issued	Nil (282,155.50)	Nil (Nil)	Nil (Nil)
Share Application Money Paid	Nil (Nil)	Nil (Nil)	Nil (2,000.00)
Share Application Money Received	24,000.00 (8,000.03)	Nil (Nil)	Nil (Nil)
Advances Given	438,500.00 (Nil)	Nil (83.79)	Nil (15,000.00)
Advances Received	Nil (Nil)	350,000.00 (Nil)	Nil (Nil)
Advances Taken	Nil (29,768.02)	Nil (Nil)	Nil (Nil)
Repayment Received of Advances Given	Nil (Nil)	Nil (83.79)	Nil (Nil)
Income from Services	85,672.04 (49,632.75)	45,072.00 (3680.25)	Nil (Nil)
Purchase of Fixed Assets	33,488.96 (Nil)	101,311.28 (Nil)	Nil (Nil)
Reimbursement of Expenses	5,691.82 (Nil)	1,850.41 (Nil)	Nil (Nil)
Rent paid	Nil (Nil)	435.00 (Nil)	Nil (Nil)
Payable	Nil (50,307.35)	376,129.2 (67,162.83)	Nil (Nil)
Receivable	378,447.68 (38,432.05)	10,890.18 (2,066.84)	Nil (Nil)



C. Significant Related Party Transactions

Nature of transaction	Name of Related Party	(Rs. In '000)	
		March 31 <sup>st</sup> , 2010	March 31 <sup>st</sup> , 2009
Income from Services	Home Solutions Retail (India) Ltd	10,592.00	3,680.25
	Future Value Retail India Limited	34,480.00	Nil
Fixed Assets Purchased	Home Solutions Retail (India) Ltd	101,311.24	66,257.00
Advances Given	Home Solutions Retail (India) Ltd	Nil	83.79
Advances Received	Home Solutions Retail (India) Ltd	150,000.00	Nil
Repayment Received of Advances Given	Home Solutions Retail (India) Ltd	Nil	83.79
Reimbursement of Expenses	Home Solutions Retail (India) Ltd	273.96	869.72
	Future Media (India) Limited	Nil	900.65
	Future E-Commerce Infrastructure Ltd.	685.23	1,928.79
	Future Value Retail Limited	891.22	Nil
Receivable as on 31/03/10	Home Solutions Retail (India) Ltd	638.98	2,066.84
	Future Value Retail India Limited	4,485.81	Nil

G. Auditor's Remuneration :

Particulars	(Rs. in '000)	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Statutory Audit Fee (excluding service tax)	100.00	50.00
Tax Audit (excluding service tax)	15.00	10.00
Total	115.00	60.00

7. Earnings Per Share

The calculation of Earnings per Share (EPS) has been made in accordance with Accounting Standard (AS -20) on Earning Per Share issued by the Institute of Chartered Accountants of India.

	As at March 31, 2010	As at March 31, 2009
Net profit considered for basic EPS calculation (Rs. In '000)	(20,827.71)	(1,552.42)
Weighted average number of equity shares for calculating Basic EPS (Nos.)	28,265,550	1,98,82,721
Weighted average number of equity shares for calculating Diluted EPS (Nos.)	29,637,057	1,99,35,951
Nominal value per share (Rs.)	10	10
Basic EPS (Rs.)	(0.74)	0.08
Diluted EPS (Rs.)	(0.70)	0.08

8. During the year, company has issued Compulsorily Convertible Debentures in Indian rupee equivalent to Euro 5000 thousands. These debentures will be compulsorily convertible on April 1, 2012 at the rate of Euro 5000 thousand divided by 7,349,043 per share into company's fully diluted equity on. These debentures bear an interest payable at a rate of LIBOR + 300 basis points per annum.



## 9. Employee Benefits

The Amount recognized in the Company's financial statements as at the year end is as under:

### a) Change in Present Value of Obligation

Particulars	(Rs in '000)	
	Gratuity	Leave Encashment
Actuarial Value of Projected Benefit Obligations (PBO) (Opening Balance)	863.74 (N A)	1,245.29 (N A)
Interest Cost	69.10 (Nil)	99.62 (Nil)
Service Cost	330.65 (686.82)	228.32 (587.87)
Benefits Paid	Nil (Nil)	181.79 (91.35)
Actuarial Gain / Loss on obligations	561.12 Gain (176.92 Loss)	1,046.60 Gain (748.77 Loss)
PBO at the end (Closing Balance)	702.37 (863.74)	718.66 (1,245.29)

### b) Amount recognized in the Balance Sheet

Particulars	(Rs in '000)	
	Gratuity	Leave Encashment
Present value of the Obligation	702.37 (863.74)	344.84 (1,245.29)
Fair value of plan assets	Nil (Nil)	Nil (Nil)
Un-funded Liability	702.37 (863.74)	344.84 (1,245.29)
Unrecognized actuarial gains/losses	Nil (Nil)	Nil (Nil)
Un-funded liability recognized in Balance Sheet	702.37 (863.74)	344.84 (1,245.29)

### c) Amount recognized in the Profit and Loss Account

Particulars	(Rs in '000)	
	Gratuity	Leave Encashment
Interest Cost	69.10 (N A)	99.62 (N A)
Service Cost	330.645 (686.82)	228.317 (587.87)
Actual return on plan assets	Nil ( Nil)	Nil (Nil)
Actuarial Gain / Loss recognized	561.12 Gain (176.92 Loss)	1046.60 Gain (748.77 Loss)
Net Gain/(loss) to be shown in P & L A/c as an expense	161.37 Gain (863.74) Loss	718.66 Gain (1,336.64) Loss

### d) The Assumptions used to determine the benefit obligations are as follows

Particulars	(Rs in '000)	
	Gratuity	Leave Encashment
Discounting Rate	8.00% p.a.	8.00% p.a.
Rate of Increase in Compensation level	5.00% p.a.	5.00% p.a.
Rate of Return on Plan Assets	N.A.	N.A.





Since the Company has not funded its gratuity liability and leave encashment, there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**10. Deferred Tax (Asset)/Liability (Net)**

The details of Deferred Tax Liability/ Assets arising on account of timing difference are as follows

(Rs. in '000)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	NIL	5,901.95
Disallowances under Income Tax	NIL	1,175.52
<b>Total</b>		<b>7,077.47</b>
<b>Deferred Tax Liability</b>		
On fixed assets	NIL	(6,828.25)
<b>Total</b>		<b>(6,828.25)</b>
<b>Net Deferred Tax Assets</b>	<b>NIL</b>	<b>249.22</b>

The company has not recognised Deferred Tax Assets consisting of unabsorbed depreciation, business loss provision due to non-availability of virtual certainty that it can be reversed in future.

**11. Expenditures in foreign currency**

	For the year ended March 31, 2010	For the year ended March 31, 2009
Interest on Compulsorily Convertible debentures	9609.68	Nil
<b>Total</b>	<b>9609.68</b>	<b>Nil</b>

**12. Micro, Small and Medium Enterprises**

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the end together with interest paid/payable as required under the said Act have not been given.

**13. Operating Lease**

The Company has entered into operating lease arrangements for premises and motor vehicle. The future minimum lease rental obligations under non-cancellable operating lease is Rs. 156,794.74(2009 : Rs. 229,749 thousands) thousand. Lease rent payable not later than one year is Rs. 56,294.37 thousand(2009 : Rs. 43,502 thousands); repayable later than one year but not later than five years is Rs. 193,016.34 thousand (2009 : Rs. 208861 thousands) and repayable later than five year is Rs. 447,460.23 thousand(2009 : Rs. 442,683 thousands).

**14. Segment Information**

**Business Segment:**

The Company is primarily engaged in the business of training and consultancy services. The Company has considered 'training and consultancy services' as one business segment for disclosure in context of Accounting Standard 17 as referred in the Companies (Accounting Standard) Rules, 2006.



**Geographic Segment :**

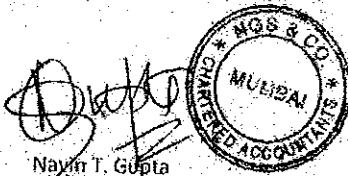
During the year, the company has its business only in India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosure is considered necessary.

15. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of the Schedule VI of the Companies Act, 1956 is not provided, to the extent it is Nil or not applicable to the Company.

As per our Report of even date

For NGS & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
Future Learning & Development Ltd.



Navin T. Gupta  
Partner  
Membership No 40334  
Place: Mumbai  
Date: August 16, 2010

A handwritten signature in black ink.

Harsha Saksena  
Director

A handwritten signature in black ink.

C.P. Toshniwal  
Director